
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene

HB No. 618

Abstract: Exempts the first \$150,000 of taxable capital from corporation franchise tax and eliminates the minimum tax for all corporations.

Present law requires every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, to pay an annual tax at the rate of \$1.50 for each \$1,000, on the first \$300,000 of taxable capital and at the rate of \$3.00 for each \$1,000, which exceeds \$300,000 of taxable capital. The minimum tax shall not be less than \$10 per year.

Proposed law changes present law to exempt the first \$150,000 of taxable capital from corporation franchise tax and eliminates the minimum amount of the tax for all corporations. Further provides that the rate of the tax shall be \$1.50 for each \$1,000 on taxable capital that exceeds \$150,000 but is less than or equal to \$300,000.

Present law provides that every corporation shall pay only the minimum tax of \$10 in the first accounting period or fraction in which it becomes subject to the tax.

Proposed law changes present law to provide that every corporation shall pay only the initial tax of \$10 in the first accounting period or fraction in which it becomes subject to the tax.

Effective for all taxable periods beginning on or after Jan. 1, 2010.

(Amends R.S. 47:601(A)(into.)(para.) and 611)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Changes the bill from exempting the first \$300,000 of taxable capital to exempting the first \$150,000 of taxable capital.
2. Provides that the rate of the tax shall be \$1.50 for each \$1,000 on taxable capital that exceeds \$150,000 but is less than or equal to \$300,000.

3. Changes the minimum tax of \$10 for newly taxable corporations to an initial tax of newly taxable corporations.
4. Changes the effective date from effective upon signature of the governor to effective for all taxable periods beginning on or after Jan. 1, 2010.